

Message Text

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ORIGIN EB-07

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DRAFTED BY EUR/SOV:JTREICHEL/EB/TCA/MA:JAPURNELL
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EUR/SOV - W.EDGAR
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FM SECSTATE WASHDC
TO AMEMBASSY MOSCOW PRIORITY

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E.O. 11652: N/A

TAGS: EWWT, UR

SUBJECT: SOVIET DEMARCHES ON THIRD-FLAG RATE BILL

1. IN RECENT WEEKS SOVIETS HAVE MADE SEVERAL DEMARCHES TO THE DEPARTMENT ON THE SUBJECT OF H.R. 7025, A BILL INTRODUCED BY CONGRESSMAN G. WILLIAM WHITEHURST OF VIRGINIA WHICH WOULD GIVE THE FEDERAL MARITIME COMMISSION ADDITIONAL AUTHORITY TO DEAL WITH THE RATE PRACTICES OF STATE-OWNED MERCHANT FLEETS. (SEE GENEVA 2780 APRIL 15, 1977, WHICH DESCRIBES SIMILAR, ALBEIT ORAL, APPROACH MADE BY I. AVERIN TO R.BANK (EB/MA) DURING UNCTAD COMMITTEE ON SHIPPING).

2. FIRST SOVIET APPROACH WAS IN FORM OF A NOTE PRESENTED TO EDGAR OF EUR/SOV BY SOVIET EMBASSY FIRST SECRETARY
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TREPYKHALIN ON JUNE 16. ON JUNE 22 SOVIET AMBASSADOR DOBRYNIN GAVE SECRETARY NOTE WHICH WAS SIMILAR IN CONTENT BUT NOT IDENTICAL. ON JUNE 27 SOVIET MARITIME ATTACHE DZHAVAD GAVE EDGAR AND BANK NON-PAPER WHICH DZHAVAD SAID WAS COMPLEMENTARY TO EARLIER NOTES. (COPIES OF THESE COMMUNICATIONS WILL BE POUCHED TO EMBASSY.)

3. THE SOVIET NOTE ALLEGES THAT THE BILL WOULD VIOLATE INTERNATIONAL LAW, BY ATTEMPTING TO EXTEND US JURISDICTION TO CONTRACTS CONCLUDED OUTSIDE THE US. IN THE REPLY NOTE, A COPY OF WHICH IS ALSO BEING POUCHED, DEPARTMENT STATES THAT IN FACT, THE AUTHORITY OF THE FMC TO REVIEW AND REGULATE RATES OF OCEAN CARRIERS OPERATING IN THE FOREIGN COMMERCE OF THE US IS LONG ESTABLISHED IN LAW, AND IS ACKNOWLEDGED BY THE INTERNATIONAL SHIPPING INDUSTRY. THE SOVIET NOTE FURTHER ALLEGES THAT THE BILL IS INTENDED TO LIMIT SOVIET ACCESS TO US PORTS, WHEN IN FACT, THE BILL CONCERNS RATES, WHILE SOVIET ACCESS TO OUR PORTS IS GOVERNED BY THE US/USSR MARITIME AGREEMENT. FINALLY, WE POINTED OUT THAT THIS ADMINISTRATION HAS YET TO FORMULATE ITS POSITION ON H.R. 7025 AND HAS NOT FORMALLY CONSIDERED THE ENTIRE QUESTION OF THIRD-FLAG RATE LEGISLATION.

4. IT IS NOT ENTIRELY CLEAR WHY SOVIETS HAVE CHOSEN TO REACT SO VIGOROUSLY TO WHITEHURST BILL, WHEN NEITHER THE ADMINISTRATION NOR THE MORE POWERFUL FIGURES IN CONGRESS ON THIS ISSUE, REP. MURPHY AND SENATOR INOUE, HAVE BEEN HEARD FROM. SOVIETS, HOWEVER, MAY FEEL UNUSUALLY SENSITIVE ON THIRD-FLAG ISSUE, SINCE THE APPARENT COLLAPSE OF THEIR ARRANGEMENT WITH FMC CHAIRMAN BAKKE, AND SINCE THE PASSAGE OR INTRODUCTION OF SIMILAR PREDATORY RATE LEGISLATION IN THE UK, JAPAN, FRG, AND LIMITED OFFICIAL USE

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THE NETHERLANDS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEMARCHE, POLICIES, MARINE TRANSPORTATION, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Film Number: D770236-0588
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From: STATE
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